

# PSJ3

## Exhibit 286

**MEMORANDUM**

**TO:** BILL WILLIAMS  
**FROM:** GEORGE EUSON  
**SUBJECT:** WHOLESALER COMPLIANCE MEETING  
**DATE:** FEBRUARY 17, 2012  
**CC:** CHRIS SMITH, DALE SMITH, TOM TWITTY

In early January 2012, I was contacted by Michael Mone, Cardinal Health Vice President. Supply Chain Integrity & Senior Regulatory Counsel. Mone contacted representatives of AmerisourceBergen, McKesson and H. D. Smith for the purpose of hosting a meeting to discuss regulatory issues.

On Friday February 3, 2012, this meeting was held at the Admiral Club in O'Hare Airport. Attending the meeting was:

Steve Mays, Senior Director of Regulatory Affairs  
AmerisourceBergen

Ed Hazewski, Director SOM  
AmerisourceBergen

Gary Hilliard, Director of Regulatory Affairs  
McKesson

Steve Reardon, Vice President of Regulatory Affairs  
Cardinal Health

Michael Mone was unable to attend to the meeting and Reardon took his place as the host of the meeting.

Cardinal arranged for an anti-trust attorney to be on a speaker phone for the entire meeting.

The timing of this initial meeting coincided with the announcement that morning that Cardinal Health's Lakeland, FL facility was served with an Immediate Suspension Order (ISO) by DEA. Reardon was unable or unwilling to discuss this event.

Mone sent out a rough draft agenda of discussion topics prior to the meeting, highlighting the following:

Regulatory Trends

We discussed State and Federal inspections, investigations and subpoenas. Much of the discussion centered around DEA inspections and investigations. Many had outstanding DEA inspections that had not been closed similar to our Springfield inspection. None had their registrations held up as

with our Louisville registration, although I did not bring this up to them. It appears that these DEA inspections are being driven by the local field office as they were different in different regions of the country. During the DEA inspections the trend is for them to ask for due diligence files on customers, usually targeting the top Oxycodone and Hydrocodone purchasers.

#### Publically Available Data Sources

This discussion centered on brainstorming on what information was available to the wholesaler to gather additional information during due diligence investigations. Many options were discussed, including the use of:

- Dispensing information
- State license databases
- Lexis Nexis
- Federal Exclusion
- Google searches
- DEA validation

It became evident in this discussion that the Big 3 are not conducting due diligence to the extent that we are, and that their investigators do not have the experience, nor do they possess the training that our investigators have.

Dispensing information is being used by the other wholesalers, but I don't think they analyze the data to the extent we do. It has become our experience that the analysis of dispensing data is a key component to an effective due diligence investigation.

The meeting lasted for about four hours, 8:00 am – 1:00 pm.

The consensus of the group was that this type of meeting and exchange was valuable and should continue quarterly. Cardinal Health hosted the meeting and provided the anti-trust attorney. This cost would be rotated among the four companies in the future. It was recommended that we continue to select a neutral site.

#### My opinion

I believe that meeting with other wholesaler's regulatory personnel on an ongoing basis is a great idea. Any exchange of ideas that can assist us in future regulatory issues would be beneficial. It is also beneficial to glean any information as to the issues faced by the other wholesalers.

I would like to see us be able to exchange regulatory issues regarding accounts that we may have closed. As a case in point; one of the accounts that DEA named in the Cardinal ISO was Gulf Coast Pharmacy. We exited this pharmacy about 1 ½ years ago due to Oxycodone concerns. ABC exited this account last year due to the same concerns. Cardinal apparently picked up this account after ABC and H. D. Smith exited. If we could communicate this information between us, it may help us out sometime in the future.